

MONTANA

Department of Commerce

HOUSING DIVISION — HOME PROGRAM
P.O. Box 200545 ★ Helena, Montana 59620-0545 ★ <http://housing.mt.gov>
Phone: 406-841-2820 ★ Fax: 406-841-2821 ★ TDD: 406-841-2702

Memo

From: Maureen Martin, Chief, Housing Assistance Bureau

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Date: 10/23/2009

Re: Program Year 2010 HOME Program changes

Attached are HOME program application guidelines updates and proposed changes. The HOME program will be accepting comments on the proposed changes through November 10. Please submit your written comments by 5:00 on November 10, 2009 to:

Maureen Martin, Chief
Housing Assistance Bureau
Montana Department of Commerce
PO Box 200545
Helena, MT 59620-0545

Comments will also be accepted at the following meetings:

- Wednesday, **October 28 Webinar** from 9:00 to 11:00 a.m. Participate from your computer or attend in person at 301 S. Park Ave, Rm 226, Helena; pre-register by going to housing.mt.gov, then clicking on the **Conferences and Training** link on the right side of the screen and scroll down to your preferred meeting.
- Wednesday, **November 4 Webinar** from 1:30 to 3:30 p.m. Participate from your computer or attend in person at 301 S. Park Ave, Rm 226, Helena; pre-register by going to housing.mt.gov, then clicking on the **Conferences and Training** link on the right side of the screen and scroll down to your preferred meeting.
- **Missoula:** Thursday, **October 29**; C'Mon Inn, 2775 Expo Parkway. A free light lunch will be provided. While not required, please RSVP using the **Conferences and Training** link described above to help us make lunch arrangements.
- **Billings:** Tuesday, **November 3**; C'Mon Inn, 2020 Overland Ave. S. A free light lunch will be provided. While not required, please RSVP using the **Conferences and Training** link described above to help us make lunch arrangements.

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HOME INVESTMENT PARTNERSHIPS PROGRAM PROGRAM YEAR 2010 CHANGES

- ☐ The application due date for the 2010 HOME Program competitive grants is **Friday, February 12, 2010.**
- ☐ **Proposal:** Limit the amount of HOME funds that can be used for down payment and closing cost assistance homebuyer assistance for a specific homebuyer / address to the lesser of:
 - one-half (50%) of the value of the first mortgage for the property; or
 - The per unit maximum per household established by the Grantee in its Management Plan.

Discussion: MDOC (Montana Department of Commerce) must ensure HOME funds are utilized as gap financing. HOME funds were never intended to be the primary funding source. HUD evaluates the HOME program on the number of households assisted, including homebuyers, and the average HOME dollars utilized per home. The above limitation assures the HOME funds are being leveraged with other funding sources. Note: The maximum purchase price limit established by HUD applies to all assisted properties.

- ☐ **Proposal:** Limit eligible activities under TBRA (Tenant Based Rental Assistance) to providing one-time security deposits to qualified voucher-assisted tenant base section 8 tenants under a two-year pilot project. The HOME program will set aside \$500,000 in 2010 and 2011 for PHAs (public housing authorities) to access on a first-come first-serve, noncompetitive basis. PHAs operating in entitlement cities would not qualify to participate.

Discussion: With the increased demand on the rental market, low-income voucher holders are unable to lease a unit. The result is the vouchers are expiring before the family can lease up and the applicant must reapply to the wait list. In most locations around Montana, the family will not be eligible for a new voucher for up to two and half years.

- ☐ **Clarification:** Clarify that CHDOs can submit and receive funding for only one application per program/funding year in each county that it operates.

Discussion: In program year 2009, the HOME Program changed its application guidelines to allow a CHDO to submit multiple applications **as long as each application is from a different county within its service area and each application is for a CHDO-eligible activity.** At the time it changed the guidelines, the Program did not address the number of applications a CHDO could submit if multiple funding rounds were held in one program/funding year. This clarifies that a CHDO can submit and receive funding for only one application per program/funding year in each county that it operates, regardless of the number of funding rounds held by the HOME Program in a given program/funding year to help maintain geographic distribution of funds.